

11-1220

WEESAW TOWNSHIP
BERRIEN COUNTY, MICHIGAN

FINANCIAL STATEMENTS WITH SUPPLEMENTAL FINANCIAL DATA

For the Year Ended March 31, 2004

AUDITING PROCEDURES REPORT

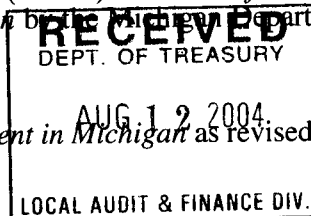
Issued under P.A. 2 of 1965, as amended. Filing is mandatory.

Local Government Name (Specify) <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name WEESAW TOWNSHIP	County Berrien
Audit Date March 31, 2004	Opinion Date July 10, 2004	Date Accountant Report Submitted to State: July 31, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.



We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|--|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit's are excluded from the financial statements. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more if this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the over funding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name)

McMurray, Marks & Edmunds

Street Address

805 Van Brunt Avenue

City

St. Joseph

State

MI

Zip

49085

Accountant Signature

Michael W. Fay

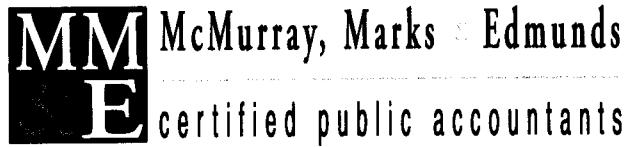
July 31, 2004

TOWNSHIP BOARD MEMBERS

Supervisor	-	Mike Oman
Clerk	-	Wanda Green
Treasurer	-	Kay Jorgensen
Trustee	-	Jack Jones
Trustee	-	Curtis Smith

Contents

Independent Auditor's Report	1
Fund Financial Statements:	
Balance Sheet – Governmental Funds	2
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds	3
Proprietary Fund:	
Balance Sheet	4
Income Statement	5
Statement of Cash Flows	6
Fiduciary Fund:	
Statement of Fiduciary Net Assets	7
Notes to the Financial Statements	8-19
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	20
Budgetary Comparison Schedule – Ambulance Fund	21
Budgetary Comparison Schedule – Special Fire Fund	22
Budgetary Comparison Schedule – Debt Retirement Fund	23
Other Supplemental Information	
Combining Balance Sheet – Nonmajor Governmental Funds	24
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	25
Statement of Changes in Assets and Liabilities	26



Independent Auditor's Report

Members of the Township Board
Weesaw Township, Michigan

We have audited the accompanying financial statements of each major fund, and the aggregate remaining fund information of Weesaw Township, Michigan, as of and for the year ended March 31, 2004 as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying financial statements do not present government-wide financial statements to display the financial position and changes in financial position of its government activities, and business type activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for Weesaw Township's governmental activities and business type activities are not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Weesaw Township, Michigan, as of March 31, 2004, and the results of its operations and the cash flows of its proprietary fund types for the year then ended.

The accompanying financial statements also do not include a Management's Discussion and Analysis, which would present an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Weesaw Township's basic financial statement. The accompanying other supplemental information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

McMurray, Marks & Edmunds

McMurray, Marks & Edmunds
St. Joseph, Michigan
July 10, 2004

805 Van Brunt Ave., P.O. Box 47, St. Joseph, Michigan 49085 ♦ Phone: (269) 983-0131 FAX: (269) 983-0335

WEESAW TOWNSHIP
**BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2004**

	General	Ambulance	Special Fire	Debt Retirement	Non-Major Governmental Funds	Total
Assets						
Cash and investments	\$ 879,288	\$ 151,029	\$ 140,524	\$ 36,035	\$ 106,291	\$ 1,313,167
Receivables	3,232	3,792	2,917	-	-	9,941
Due from fiduciary fund	2,106	155	117	-	-	2,378
Due from other governmental funds	-	-	87	-	-	87
Total Assets	\$ 884,626	\$ 154,976	\$ 143,645	\$ 36,035	\$ 106,291	\$ 1,325,573
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ (39)	\$ 10	\$ -	\$ -	\$ -	\$ (29)
Due to proprietary fund	41	-	-	-	-	41
Due to other governmental funds	-	-	-	-	87	87
Total Liabilities	\$ 2	\$ 10	\$ -	\$ -	\$ 87	\$ 99
Fund Balances						
Reserved for debt service	\$ -	\$ -	\$ -	\$ 36,035	\$ -	\$ 36,035
Designated (Note 1)	79,797	-	-	-	-	79,797
Unreserved and undesignated	804,827	-	-	-	-	804,827
Unreserved and undesignated - ambulance	-	154,966	-	-	-	154,966
Unreserved and undesignated - special fire	-	-	143,645	-	-	143,645
Unreserved and undesignated - cemetery trust	-	-	-	-	86,452	86,452
Unreserved and undesignated - fire truck	-	-	-	-	19,752	19,752
Total Fund Balances	\$ 884,624	\$ 154,966	\$ 143,645	\$ 36,035	\$ 106,204	\$ 1,325,474
Total Liabilities and Fund Balances	\$ 884,626	\$ 154,976	\$ 143,645	\$ 36,035	\$ 106,291	\$ 1,325,573

See accompanying notes to the financial statements.

WEESAW TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS MARCH 31, 2004

	General	Ambulance	Special Fire	Debt Retirement	Non-Major Governmental Funds	Total
Revenues						
Property taxes	\$ 50,526	\$ 70,036	\$ 54,051	\$ 17,518	\$ -	\$ 192,131
Building and electrical permits	2,459	-	-	-	-	2,459
State shared revenues	151,014	-	-	-	-	151,014
Charges for services	885	5,043	1,336	-	-	7,264
Cemetery lot sales	-	-	-	-	3,175	3,175
Interest income	15,845	989	1,055	189	578	18,656
Miscellaneous	9,083	-	-	-	-	9,083
Total Revenues	\$ 229,812	\$ 76,068	\$ 56,442	\$ 17,707	\$ 3,753	\$ 383,782
Expenditures						
Current:						
General government	\$ 103,282	\$ -	\$ -	\$ -	\$ -	\$ 103,282
Public safety	8,348	70,185	31,130	-	-	109,663
Public works	15,478	-	-	-	-	15,478
Capital outlay	1,643	-	18,168	-	-	19,811
Total Expenditures	\$ 128,751	\$ 70,185	\$ 49,298	\$ -	\$ -	\$ 248,234
Excess of Revenues over Expenditures	\$ 101,061	\$ 5,883	\$ 7,144	\$ 17,707	\$ 3,753	\$ 135,548
Other Financing Sources (Uses)						
Operating transfers in	\$ -	\$ -	\$ -	\$ 40,818	\$ -	\$ 40,818
Payment to bond escrow agent	-	-	-	(45,481)	-	(45,481)
Principal	-	-	-	(11,912)	-	(11,912)
Interest and fees	-	-	-	-	(40,818)	(40,818)
Operating transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ (16,575)	\$ (40,818)	\$ (57,393)
Excess of Revenues over Expenditures and Other Financing Sources	\$ 101,061	\$ 5,883	\$ 7,144	\$ 1,132	\$ (37,065)	\$ 78,155
Fund Balances - Beginning of year	783,563	149,083	136,501	34,903	143,269	1,247,319
Fund Balances - End of year	\$ 884,624	\$ 154,966	\$ 143,645	\$ 36,035	\$ 106,204	\$ 1,325,474

See accompanying notes to the financial statements.

WEESAW TOWNSHIP**BALANCE SHEET
PROPRIETARY FUND
MARCH 31, 2004****Enterprise Fund
Water & Sewer****Assets****Current assets:**

Cash and investments	\$ 198,876
Receivables	4,005
Special assessment receivable, current portion	18,689
Due to governmental funds	41
Total current assets	\$ 221,611

Noncurrent assets:**Capital assets:**

Water and sewer lines	\$ 893,236
Less accumulated depreciation	(80,391)
Special assessment receivable, noncurrent portion	198,481
Total noncurrent assets	\$ 1,011,326

Total assets**\$ 1,232,937****Liabilities****Current liabilities:**

Notes payable, current	\$ 39,715
------------------------	-----------

Long-term liabilities:

Notes payable, less current portion	446,383
Total liabilities	\$ 486,098

Fund Equity**Contributed capital:**

Capital grants	\$ 291,200
Retained earnings	455,639
Total Fund Equity	\$ 746,839

Total liabilities and fund equity**\$ 1,232,937***See accompanying notes to the financial statements.*

WEESAW TOWNSHIP**INCOME STATEMENT
PROPRIETARY FUND
MARCH 31, 2004**

	<u>Enterprise Fund Water & Sewer</u>
Operating Revenues	
Monthly sewer fees	\$ 18,513
Connection fees	-
Water fees	165
Delinquent fees	3,913
Total operating revenues	<u>\$ 22,591</u>
Operating Expenses	
Waste removal costs	\$ 4,405
Electric	637
Office expense	114
Connection costs	75
Repairs and maintenance	600
Insurance	281
Legal fees	6,915
Depreciation	20,098
Total operating expenses	<u>\$ 33,125</u>
Operating loss	\$ (10,534)
Nonoperating Revenues (Expenses)	
Interest income	751
Interest expense	(25,045)
Net loss	\$ (34,828)
 Add back depreciation on assets acquired with capital grants	 <u>7,200</u>
Decrease in Retained Earnings	\$ (27,628)
Retained Earnings, Beginning of Year	<u>483,267</u>
Retained Earnings, End of Year	<u><u>\$ 455,639</u></u>

See accompanying notes to the financial statements.

WEESAW TOWNSHIP**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
MARCH 31, 2004**

	<u>Enterprise Fund Water & Sewer</u>
Cash Flows from Operating Activities	
Receipts from customers	\$ 38,466
Payments to suppliers	(13,027)
Net cash provided by operating activities	<u>\$ 25,439</u>
Cash Flows from Capital and Related Financing Activities	
Interest paid on notes payable	\$ (25,045)
Principal payments on notes payable	(29,029)
Net cash used in capital and related financing activities	<u>\$ (54,074)</u>
Cash Flows from Investing Activities	
Interest on temporary investments	\$ 751
Net cash used in capital and related financing activities	<u>\$ 751</u>
Net decrease in cash and cash equivalents	\$ (27,884)
Cash and cash equivalents - beginning of year	226,760
Cash and cash equivalents - end of year	<u><u>\$ 198,876</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (10,534)
<i>Adjustments to reconcile operating loss to net cash used by operating activities:</i>	
Depreciation	20,098
<i>Change in current assets and liabilities:</i>	
Accounts receivable	2,557
Due from governmental funds	(13,437)
Taxes receivable	3,410
Special assessment receivable	23,760
Accounts payable	(415)
Net cash provided by operating activities	<u><u>\$ 25,439</u></u>

See accompanying notes to the financial statements.

WEESAW TOWNSHIP**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
MARCH 31, 2004**

	<u>Agency Fund- Property Tax</u>
Assets:	
Cash and cash equivalents	<u>\$ 2,486</u>
Liabilities:	
Due to other governmental units	\$ 108
Due to governmental funds	<u>2,378</u>
	<u>\$ 2,486</u>

See accompanying notes to the financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Weesaw Township (the "Township") complies with United States Generally Accepted Accounting Principles ("GAAP"). The Township's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds and similar component units apply Financial Accounting Standards (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

Reporting Entity

The Township is governed by an elected five-member Board. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board ("GASB") for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the Township's reporting entity, and which organizations are legally separate, component units of the Township. Based on the application of the criteria, the Township does not contain any component units.

Government Wide and Fund Financial Statements

The Government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Township financial statements do not present government wide statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Government-Wide Statements — The government-wide financial statements, if presented, are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, state revenue and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Fund Based Statements — Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and severance pay, are recorded only when payment is due.

Property taxes, state shared revenues, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government. The fiduciary fund statement is also reported using the economic resources measurement focus and the accrual basis of accounting.

Proprietary Fund-Based Statements — Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Township reports the following major governmental funds:

Major Funds

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the government, except those required to be accounted for in another fund.

The Ambulance Fund is the Township's public safety fund whose financial resources are specifically set aside for ambulance services.

The Special Fire Fund is the Township's public safety fund whose financial resources are specifically set aside for fire services.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Debt Retirement Fund is the Township's debt service fund whose financial resources are specifically set aside for principal and interest payments on the Township's debt.

Other Funds— Additionally, the government reports the following other types of funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Proprietary Funds are accounted for using the economic resources measurement focus; the accounting objectives are a determination of net income, financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheet. Proprietary fund equity is segregated into contributed capital and retained earnings.

Fiduciary Funds are used to account for assets held by the Township in a trustee capacity or as an agent. Fiduciary Fund net assets and results of operations are not included in the government-wide statements. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Township presently maintains a tax fund to record receipts and disbursements of monies for property tax collections.

Assets, Liabilities, and Net Assets or Equity

Deposits and Investments — Cash and cash equivalents include cash on hand, demand deposits and short-term investments with a maturity of three months or less when acquired.

Receivables and Payables — In general, outstanding balances between funds are reported as "due to/from other funds". Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "operating transfers to/from other funds."

Property tax and other trade receivables are shown net of an allowance for uncollectible amounts. For Weesaw Township taxpayers, properties are assessed as of December 31 and the related property taxes are levied and become a lien on March 1. The final collection date is February 28, after which uncollected taxes are added to the Berrien County delinquent tax rolls.

The State of Michigan utilizes both constitutional and statutory payments for revenue sharing amounts based on a formula using taxable value and population factors within the Township.

Prepaid Items — Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in the fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets — Capital assets, which include land, buildings, equipment, and vehicles are reported in the applicable column in the proprietary fund financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extended asset life are not capitalized. Buildings, equipment, and water and sewer lines of the proprietary fund are depreciated using the straight-line method over the following useful lives:

Water and sewer lines	40-50 years
Buildings	20-50 years
Land Improvements	10-20 years

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, have not been capitalized. The amount of infrastructure assets that should have been capitalized is not determinable.

Compensated Absences — The Township's policy is to grant approval for vacation, sick or personal leave on an as requested basis, and it does not allow any time to accumulate or accrue; therefore, no liability has been recorded in the financial statements.

Long-Term Obligations — In the government-wide and proprietary financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Government-wide statements are not presented.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Balance — In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

The Township has limited the use of certain assets which represent board designated funds. These amounts consist of cash investments. Board designated funds consist of the following:

	2004
Township	\$ 3,275
Economic	3,372
Budget deficit '04 - '05	73,150
	<u>\$ 79,797</u>

Comparative Data — Comparative data is not included in the government's financial statements.

Estimates — The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Accounting Change — Effective April 1, 2003, the Township implemented the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* ("GASB 34"). Changes to the Township's financial statements as a result of GASB 34 do not reflect the following:

A Management's Discussion and Analysis ("MD&A") section providing analysis of the Township's overall financial position and results of operations has been included.

Government-wide financial statements (Statement of Net Assets and Statement of Activities) prepared using full accrual accounting for all of the Township Government's activities have been provided.

Operating Revenues and Expenses — Operating revenues are those revenues that are generated directly from the activity of the proprietary fund. The Township's operating revenues are fees collected from water and sewer services provided.

Contributions of Capital — Contributions of capital in the proprietary fund arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Extraordinary and Special Items — Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Township and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year ended March 31, 2004.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information — Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the general, ambulance, special fire, and debt retirement funds. All annual appropriations lapse at year end.

Each fund's appropriated budget is prepared on a cost center basis. Revenues are budgeted by source. Expenditures are budgeted by department. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review by the Township Board. Within these control levels, management may transfer appropriations without Board approval. There were no amendments made to the budget during the fiscal year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be re-appropriated and honored during the subsequent year. There were no encumbrances at year-end.

Excess of Expenditures Over Appropriations in Budgeted Funds — The Township did not have significant expenditure budget variances.

NOTE 3. PROPERTY TAXES AND PROPERTY TAX CALENDAR

Property taxes are accrued when levied. The Township assesses and collects property taxes for the Township, State of Michigan, the school districts of River Valley and Galien as well as Berrien County. These units are paid their proportionate share of tax monies as collections are made.

Revenue Recognition — The Township recognizes the December 1 property tax levy in the same fiscal year. The County of Berrien, Michigan purchases all delinquent real property taxes and usually remits payment within in the normal 60 day period from its revolving fund. Uncollected personal property taxes are negligible.

Tax Levy Dates and Applicable Budget Years — The Township has a fiscal year ending March 31. December 1 of each year is the tax levy date. The tax levy of December 1, 2003 is for the year ending March 31, 2004.

Due Date — Uncollected property taxes become delinquent and attach as an enforceable lien on the related property as of March 1, of the following year.

Millage Rates — The following represents the taxable value and mileage rates for the Township at December 1, 2003:

Taxable Value		Millage Rate			
Homestead	Non-Homestead	General	Ambulance	Special Fire	Fire Truck
41,561,384	12,734,240	0.8650	0.9903	1.2870	-

NOTE 4. DEPOSITS AND INVESTMENTS

At year-end, the Township's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Funds	Proprietary Funds	Fiduciary Funds	Total Primary Government
Cash and cash equivalents	\$ 1,050,703	\$ 198,876	\$ 2,486	\$ 1,252,065
Certificate of deposits	262,464	-	-	262,464
	<u>\$ 1,313,167</u>	<u>\$ 198,876</u>	<u>\$ 2,486</u>	<u>\$ 1,514,529</u>

The breakdown between deposits and investments for the Township is as follows:

Deposits (checking and savings accounts)	\$ 1,252,065
Certificate of deposits	262,464
Petty cash and cash on hand	-
	<u>\$ 1,514,529</u>

The deposits of the Township were reflected in the accounts of the Financial Institution at \$1,565,985, of which \$200,000 is covered by federal depository insurance. State statutes and the Township's investment policy authorize the government to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan; the government is allowed to invest in U.S. Treasury or Agency obligation, U.S. Government repurchases agreements, bankers' acceptances, commercial paper rated prime at the time of purchases which mature not more than 270 days after the date of purchases, mutual funds and investment pools that are composed of authorized investment vehicles. The Township's deposits are in accordance with statutory authority.

NOTE 5. INTER-FUND RECEIVABLES AND PAYABLES

A summary of inter-fund receivables and payables of the Township for the year ended March 31, 2004 follows:

Due To/From Other Funds:

Receivable Fund	Payable Fund	Amount
Proprietary Fund	General Fund	\$ 41
General Fund	Fiduciary Fund	2,106
Ambulance Fund	Fiduciary Fund	155
Special Fire Fund	Fiduciary Fund	117
	Nonmajor	
Special Fire Fund	Governmental Funds	87
		<u>\$ 2,506</u>

NOTE 5. INTER-FUND RECEIVABLES AND PAYABLES, (CONCLUDED)

The majority of inter-fund receivables and payables relate to the collection of property taxes within the fiduciary fund on behalf of the Township and need to be remitted to the respective government fund.

NOTE 6. RECEIVABLES AND PAYABLES

Receivables as of year-end for the Township's individual major funds, non-major funds, proprietary funds and fiduciary funds in the aggregate, including any allowance for uncollectible amounts are as follows:

	Governmental Funds	Proprietary Fund	Total	Due Within One Year
Receivables:				
Special Assessment	\$ -	\$ 217,170	\$ 217,170	\$ 18,689
Trade	596	1,846	2,442	2,442
Property Taxes	9,345	2,159	11,504	11,504
	<u>\$ 9,941</u>	<u>\$ 221,175</u>	<u>\$ 231,116</u>	<u>\$ 32,635</u>

Payables as of year-end for the Township's individual major funds, non-major, proprietary and fiduciary funds in the aggregate, are \$(29).

NOTE 7. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended March 31, 2004:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Funds:					
Bonds	\$ 149,000	\$ -	\$ (8,000)	\$ 141,000	\$ 8,000
Notes Payable	<u>37,481</u>	<u>-</u>	<u>(37,481)</u>	<u>-</u>	<u>-</u>
Total bonds and notes payable	\$ 186,481	\$ -	\$ (45,481)	\$ 141,000	\$ 8,000
Proprietary Funds:					
Notes Payable	\$ 515,127	\$ -	\$ (29,029)	\$ 486,098	\$ 39,715
Total bonds and notes payable	<u>\$ 515,127</u>	<u>\$ -</u>	<u>\$ (29,029)</u>	<u>\$ 486,098</u>	<u>\$ 39,715</u>
Total Long-term debt and other	<u>\$ 701,608</u>	<u>\$ -</u>	<u>\$ (74,510)</u>	<u>\$ 627,098</u>	<u>\$ 47,715</u>

Annual debt service requirements to maturity for the above long-term debt bond are as follows:

	Governmental Activities:		
	Principal	Interest	Total
2005	\$ 47,715	\$ 7,754	\$ 55,469
2006	50,807	7,234	58,041
2007	52,936	6,676	59,612
2008	56,174	6,218	62,392
2009	58,371	5,702	64,073
2009-2014	324,095	19,922	344,017
2014-2017	<u>37,000</u>	<u>4,873</u>	<u>41,873</u>
	<u>\$ 627,098</u>	<u>\$ 58,379</u>	<u>\$ 685,477</u>

NOTE 7. LONG-TERM DEBT (CONCLUDED)***Governmental Funds:***

General obligation bonds consist of:

\$185,000 - Construction bonds for Baldwin Road/Sawyer Road Special Assessment District payable in multiples of \$1,000 through February 1, 2017; interest varies, not to exceed 7%.

\$ 141,000

Total bonds payable

\$ 141,000

Proprietary Funds:

General obligations consist of:

\$515,127 -MI Strategic Fund Community Development Block Grant Program Note for California/Weechik Road Sewer and Water Project payable in quarterly installments through June 30, 2014; interest at 5%.

\$ 486,098

Total notes payable

\$ 486,098

NOTE 8. POST EMPLOYMENT BENEFITS

The Township does not provide post employment benefits for any of its employees.

NOTE 9. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions, injuries to employees, and natural disasters. The Township obtains general liability insurance to cover those risks at a cost it considers to be economically justifiable.

The Township also carries commercial insurance for all other risks of loss, including workers' compensation, employee health and accident insurance, and errors and omissions. Settled claims, if any, resulting from these risks have not exceeded commercial insurance coverage.

NOTE 10. SCHEDULE OF REVENUES AND EXPENDITURES FOR CONSTRUCTION ENFORCING AGENCIES

The Township charges fees for the inspection of electrical permits. These fees charged are not intended to recover the full cost of the enforcing agency and the related revenues and costs are tracked within the general fund. Pursuant to public Act 245 of 1999, the following schedule shows the breakdown of the related revenues and expenditures:

	For the Year Ended 3/31/2004
Revenues	
Fee charges	\$ 2,259
Expenditures	
Contracted services	(2,259)
Revenues over Expenditures	<u>\$ -</u>

NOTE 11. SEGMENT INFORMATION - ENTERPRISE FUND

Selected financial information with respect to the enterprise fund maintained by the Township to provide water and sewer service is as follows:

	Total
Operating revenues	\$ 22,591
Depreciation	20,098
Operating loss	(10,534)
Net loss	(34,828)
Total assets	1,232,937
Unreserved retained earnings	455,639
Total equity	746,839
Net working capital	163,207
Operating transfers, net	-

NOTE 12. CAPITAL ASSETS – PROPRIETARY FUND

Capital asset activity of the Township's Proprietary Fund was as follows:

	Balance April 1, 2003	Additions	Disposals and Adjustments	Balance March 31, 2004
Capital assets being depreciated:				
Water and sewer lines	\$ 893,236	\$ -	\$ -	\$ 893,236
Accumulated depreciation:				
Water and sewer lines	\$ 60,293	\$ 20,098	\$ -	\$ 80,391
Net capital assets being depreciated	\$ 832,943			\$ 812,845
Net capital assets	\$ 832,943			\$ 812,845

Depreciation for the year was \$20,098 with \$7,200 booked against contributed capital and \$12,898 as operating expense.

**REQUIRED SUPPLEMENTAL
INFORMATION**

WEESAW TOWNSHIP**REQUIRED SUPPLEMENTARY SCHEDULE
BUDGETARY COMPARISON SCHEDULE — GENERAL FUND
MARCH 31, 2004**

	Original Budget	Final Amended Budget	Actual
Revenues			
Property taxes	\$ 45,270	\$ 45,270	\$ 50,526
Building and electrical permits	3,500	3,500	2,459
State shared revenues	152,424	152,424	151,014
Charges for services	-	-	885
Interest income	10,000	10,000	15,845
Miscellaneous	1,432	1,432	9,083
Total Revenues	\$ 212,626	\$ 212,626	\$ 229,812
Expenditures			
Current:			
General government:			
Township board	\$ 59,283	\$ 59,283	\$ 44,540
Supervisor's office	9,904	9,904	8,534
Treasurer's office	17,342	17,342	17,612
Elections	5,500	5,500	21
Assessor	7,350	7,350	6,536
Clerk's office	12,265	12,265	11,432
Cemetery	12,900	12,900	14,607
Public safety			
Board of review	2,424	2,424	1,042
Zoning administrator	18,015	18,015	4,778
Zoning board and appeals	12,409	12,409	2,528
Public works			
Roads	20,000	20,000	7,034
Highway lighting	5,000	5,000	1,539
Water/refuse collection	1,950	1,950	1,245
Drains	8,000	8,000	5,660
Capital outlay	115,400	115,400	1,643
Total Expenditures	\$ 307,742	\$ 307,742	\$ 128,751
Excess (Deficiency) of Revenues over (under) Expenditures	\$ (95,116)	\$ (95,116)	\$ 101,061
Fund Balances - Beginning of year	783,563	783,563	783,563
Fund Balances - End of year	\$ 688,447	\$ 688,447	\$ 884,624

WEESAW TOWNSHIP**REQUIRED SUPPLEMENTARY SCHEDULE
BUDGETARY COMPARISON SCHEDULE — AMBULANCE FUND
MARCH 31, 2004**

	Original Budget	Final Amended Budget	Actual
Revenues			
Property taxes	\$ 66,954	\$ 66,954	\$ 70,036
Charges for services	14,000	14,000	5,043
Interest income	2,000	2,000	989
Miscellaneous	200	200	-
Total Revenues	<u>\$ 83,154</u>	<u>\$ 83,154</u>	<u>\$ 76,068</u>
Expenditures			
Current:			
Public safety	\$ 85,325	\$ 85,325	\$ 70,185
Ambulance	-	-	-
Capital outlay	-	-	-
Total Expenditures	<u>\$ 85,325</u>	<u>\$ 85,325</u>	<u>\$ 70,185</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (2,171)	\$ (2,171)	\$ 5,883
Fund Balances - Beginning of year	149,083	149,083	149,083
Fund Balances - End of year	<u>\$ 146,912</u>	<u>\$ 146,912</u>	<u>\$ 154,966</u>

WEESAW TOWNSHIP**REQUIRED SUPPLEMENTARY SCHEDULE
BUDGETARY COMPARISON SCHEDULE — SPECIAL FIRE FUND
MARCH 31, 2004**

	Original Budget	Final Amended Budget	Actual
Revenues			
Property taxes	\$ 51,504	\$ 51,504	\$ 54,051
Charges for services	5,000	5,000	1,336
Interest income	2,000	2,000	1,055
Miscellaneous	600	600	-
Total Revenues	\$ 59,104	\$ 59,104	\$ 56,442
Expenditures			
Current:			
Public safety:			
Fire	\$ 38,136	\$ 38,136	\$ 31,130
Capital outlay	31,810	31,810	18,168
Total Expenditures	\$ 69,946	\$ 69,946	\$ 49,298
Excess (Deficiency) of Revenues over (under) Expenditures	\$ (10,842)	\$ (10,842)	\$ 7,144
Fund Balances - Beginning of year	136,501	136,501	136,501
Fund Balances - End of year	\$ 125,659	\$ 125,659	\$ 143,645

WEESAW TOWNSHIP**REQUIRED SUPPLEMENTARY SCHEDULE
BUDGETARY COMPARISON SCHEDULE — DEBT RETIREMENT FUND
MARCH 31, 2004**

	Original Budget	Final Amended Budget	Actual
Revenues			
Property taxes	\$ 17,407	\$ 17,407	\$ 17,518
Interest income	170	170	189
Total Revenues	<u>\$ 17,577</u>	<u>\$ 17,577</u>	<u>\$ 17,707</u>
 Excess of Revenues over Expenditures	 <u>\$ 17,577</u>	 <u>\$ 17,577</u>	 <u>\$ 17,707</u>
 Other Financing Sources (Uses)			
Operating transfers in	\$ -	\$ -	\$ 40,818
Principal retirements	(8,000)	(8,000)	(45,481)
Interest and fiscal charges	(4,138)	(4,138)	(11,912)
Operating transfers out	-	-	-
Total Other Financing Sources	<u>\$ (12,138)</u>	<u>\$ (12,138)</u>	<u>\$ (16,575)</u>
 Excess of Revenues over Expenditures and other financing sources (uses)	 \$ 5,439	 \$ 5,439	 \$ 1,132
Fund Balances - Beginning of year	<u>34,903</u>	<u>34,903</u>	<u>34,903</u>
Fund Balances - End of year	<u><u>\$ 40,342</u></u>	<u><u>\$ 40,342</u></u>	<u><u>\$ 36,035</u></u>

**OTHER SUPPLEMENTAL
INFORMATION**

WEESAW TOWNSHIP**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
MARCH 31, 2004**

	Cemetery Trust	Fire Truck	Capital Projects	Total Non- Major Govern- mental Funds
Assets				
Cash and investments	\$ 86,452	\$ 19,839	\$ -	\$ 106,291
Due from fiduciary fund	-	-	-	-
Due from other governmental funds	-	-	-	-
Total Assets	<u>\$ 86,452</u>	<u>\$ 19,839</u>	<u>\$ -</u>	<u>\$ 106,291</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governmental funds	-	87	-	87
Total Liabilities	<u>\$ -</u>	<u>\$ 87</u>	<u>\$ -</u>	<u>\$ 87</u>
Fund Balance				
Unreserved and undesignated - cemetery trust	\$ 86,452	\$ -	\$ -	\$ 86,452
Unreserved and undesignated - fire truck	-	19,752	-	19,752
Total Fund Balance	<u>\$ 86,452</u>	<u>\$ 19,752</u>	<u>\$ -</u>	<u>\$ 106,204</u>
Total Liabilities and Fund Balance	<u>\$ 86,452</u>	<u>\$ 19,839</u>	<u>\$ -</u>	<u>\$ 106,291</u>

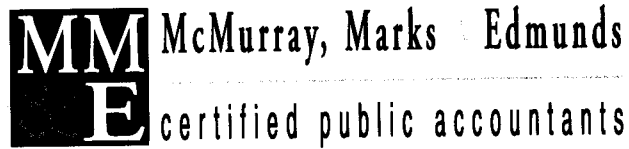
WEESAW TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
MARCH 31, 2004

	Cemetery Trust	Fire Truck	Capital Projects	Total Non- Major Govern- mental Funds
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Cemetery lot sales	3,175	-	-	3,175
Interest income	430	148	-	578
Total Revenues	<u>\$ 3,605</u>	<u>\$ 148</u>	<u>\$ -</u>	<u>\$ 3,753</u>
Expenditures				
Current:				
Fire	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of Revenues over Expenditures	<u>\$ 3,605</u>	<u>\$ 148</u>	<u>\$ -</u>	<u>\$ 3,753</u>
Other Financing Sources (Uses)				
Operating transfers in	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	(40,818)	-	(40,818)
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ (40,818)</u>	<u>\$ -</u>	<u>\$ (40,818)</u>
Excess (Deficiency) of Revenues over (under) Expenditures and Other Financing Sources	<u>\$ 3,605</u>	<u>\$ (40,670)</u>	<u>\$ -</u>	<u>\$ (37,065)</u>
Fund Balances - Beginning of year	<u>82,847</u>	<u>60,422</u>	<u>-</u>	<u>143,269</u>
Fund Balances - End of year	<u><u>\$ 86,452</u></u>	<u><u>\$ 19,752</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 106,204</u></u>

WEESAW TOWNSHIP**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND
MARCH 31, 2004**

	Balance April 1, 2003	Additions	Deductions	Balance March 31, 2004
Assets				
Cash and investments	\$ 13,378	\$ 1,293,448	\$ 1,304,340	\$ 2,486
Due from other governmental funds	2,823	-	2,823	-
Total Assets	\$ 16,201	\$ 1,293,448	\$ 1,307,163	\$ 2,486
Liabilities				
Tax overpayments payable	\$ 322	\$ -	\$ 322	\$ -
Due to governmental funds	4,515	236,552	238,689	2,378
Due to other governmental units	11,364	1,043,181	1,054,437	108
Total Liabilities	\$ 16,201	\$ 1,279,733	\$ 1,293,448	\$ 2,486



July 21, 2004

To the Trustees
Weesaw Township

We have audited the financial statements of Weesaw Township for the year ended March 31, 2004, and have issued our report thereon dated July 10, 2004. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated April 21, 2004, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of Weesaw Township. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Weesaw Township are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2004. We noted no transactions entered into by Weesaw Township during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the estimated useful lives of the sewer assets is based on useful lives generally used by governments. We evaluated the key factors and assumptions used to develop the useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Weesaw Township's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by Weesaw Township, either individually or in the aggregate, indicate matters that could have a significant effect on Weesaw Township's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Weesaw Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

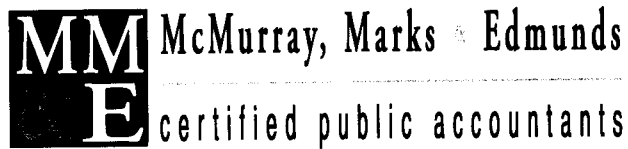
Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

This information is intended solely for the use of Board of Trustees and management of Weesaw Township and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

McMurray, Marks & Edmunds



To the Trustees of
Weesaw Township, Michigan

As a regular part of our audit of the Weesaw Township, Michigan, (the "Township") for the year ended March 31, 2004, we reviewed the accounting and internal control procedures of the Township that we considered relevant to the criteria established by auditing standards generally accepted in the United States. Based upon this review, we would like to make the following comments and recommendations:

CONTINUING RECOMMENDATIONS:

Documentation and Authorization of Transfers Between Funds

We understand that the board has given the Township Treasurer authorization to make such transfers between bank accounts in the ordinary course of her duties. However, we noticed that in many cases, the transfers between these funds were not properly documented. We recommend that the board authorize all fund transfers and that they be properly accounted and budgeted for.

Budgets

We noted during our audit that the Township Board has adopted a budget for the enterprise fund that is prepared on the cash basis. The enterprise fund uses the full accrual basis of accounting for financial reporting and the full accrual basis of accounting should be used in preparing the budget. We also noted during our audit that expenditures were being incurred in excess of budget and the budget was not amended to legalize the expenditures. The appropriations in the budget for expenditures constitute the maximum expenditure authorizations during the fiscal year and cannot be legally exceeded unless subsequently amended by the Township Board.

Documentation for Release of Expenditures

We recommend that all documentation, including properly completed time sheets, expense reports, invoices and/or receipts should be submitted to the Township Clerk prior to the seeking the board's approval and the release of funds for expenditures. It was noted during our audit that this documentation was not always received timely.

We would be happy to discuss these recommendations and comments with you at your convenience. We would also like to express our appreciation for the courtesy and cooperation extended to us during the engagement.

This report is intended solely for the information and use of the Township Board, management, and others within the Township.

McMurray, Marks & Edmunds

McMurray, Marks & Edmunds
St. Joseph, Michigan
July 10, 2004